

AMENDED IN ASSEMBLY AUGUST 7, 2006

AMENDED IN ASSEMBLY JUNE 26, 2006

AMENDED IN ASSEMBLY JUNE 14, 2006

AMENDED IN ASSEMBLY JUNE 12, 2006

AMENDED IN SENATE APRIL 24, 2006

AMENDED IN SENATE APRIL 17, 2006

## **SENATE BILL**

**No. 1380**

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### **Introduced by Senator Chesbro**

(Principal coauthors: Assembly Members Berg and Evans)

February 21, 2006

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An act to add Sections 25242 and 25243 to the Business and Professions Code, relating to alcoholic beverages.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1380, as amended, Chesbro. Alcoholic beverages: California county wine.

Under existing law, the Department of Alcoholic Beverage Control regulates the licensing, enforcement, and administration of the alcoholic beverage control laws.

This bill would prohibit the sale of wine, produced, bottled, or labeled after December 31, 2008, in this state that identifies, in a brand name or otherwise, on any label, packaging material, or advertising, the name "Sonoma", unless the wine meets certain federal regulatory standards, as specified. This bill would not prohibit the use of a brand name, or otherwise, which was the name of the winery

owner as established prior to 1950. This bill would not apply to a multicounty appellation, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 25242 is added to the Business and  
2 Professions Code, to read:

3 25242. (a) (1) The Legislature finds and declares that for  
4 more than a century, certain California counties have been  
5 widely recognized for producing grapes and wine of the highest  
6 quality. Both consumers and the wine industry associate the  
7 names of those counties with the distinctive wine produced from  
8 grapes grown within those counties. If producers were to use the  
9 names of these counties on labels, for packaging materials, and in  
10 advertising for wines that are not made from grapes grown in the  
11 designated counties, consumers may be confused or deceived by  
12 these practices.

13 (2) It is the intent of the Legislature to assure consumers that  
14 the wines produced or sold in the state with brand names,  
15 packaging materials, or advertising that mention or refer to these  
16 California counties, in fact accurately reflect the origin of the  
17 grapes used to make the referenced wine.

18 (b) (1) No wine produced, bottled, labeled, offered for sale or  
19 sold in California shall use, in a brand name or otherwise, on any  
20 label, packaging material, or advertising, the name of viticultural  
21 significance listed in subdivision (c), unless that wine qualifies  
22 under Section ~~4.25a~~ 4.25 of Title 27 of the Code of Federal  
23 Regulations for an appellation of origin that is either Sonoma  
24 County or a viticultural area lying entirely within Sonoma  
25 County and includes that appellation of origin on the label,  
26 packaging material, and advertising for the wine.

27 (2) Notwithstanding paragraph (1), this subdivision shall not  
28 grant any labeling, packaging, or advertising rights that are  
29 prohibited under federal law or regulations.

30 (c) The following name is of viticultural significance for  
31 purposes of this section:

32 (1) Sonoma.

1 (2) Any similar name to that in paragraph (1) that is likely to  
2 cause confusion as to the origin of the wine.

3 (d) The appellation of origin required by this section shall  
4 meet the legibility and size-of-type requirements set forth in  
5 either Section 4.38 or Section 4.63 of Title 27 of the Code of  
6 Federal Regulations, whichever is applicable.

7 (e) Notwithstanding subdivision (b), any name of viticultural  
8 significance may appear either as part of the address required by  
9 Sections 4.35 and 4.62 of Title 27 of the Code of Federal  
10 Regulations, if it is also the post office address of the bottling or  
11 producing winery or of the permittee responsible for the  
12 advertising, or as part of any factual, nonmisleading statement as  
13 to the history or location of the winery.

14 ~~(f) (1) The department may suspend or revoke the license of~~  
15 ~~any person who produces or bottles wine who violates this~~  
16 ~~section.~~

17 ~~(2) The department shall issue a notice of violation to a person~~  
18 ~~in possession of the wine and shall hold a hearing within 15 days~~  
19 ~~of the issuance of the notice. If requested by any interested party~~  
20 ~~within five days following the issuance of the notice, the~~  
21 ~~department may seize wine labeled or packaged in violation of~~  
22 ~~this section regardless of where found, and may dispose of the~~  
23 ~~wine upon order of the department.~~

24 ~~(3) A person that is issued a violation as required by paragraph~~  
25 ~~(2) may not sell or transfer the wine prior to a final determination~~  
26 ~~by the department.~~

27 *(f) The department may suspend or revoke the license of any*  
28 *person who produces or bottles wine who violates this section.*  
29 *Following notice of violation to the person in possession of the*  
30 *wine and a hearing to be held within 15 days thereafter, if*  
31 *requested by any interested party within five days following the*  
32 *notice, the department may seize wine labeled or packaged in*  
33 *violation of this section regardless of where found, and may*  
34 *dispose of the wine upon order of the department. From the time*  
35 *of notice until the departmental determination, the wine shall not*  
36 *be sold or transferred.*

37 (g) This section applies only to wine which is produced,  
38 bottled, or labeled after December 31, 2008.

1 (h) This section does not pertain to the use of a brand name, or  
2 otherwise, which was the name of the winery owner as  
3 established prior to 1950.

4 SEC. 2. Section 25243 is added to the Business and  
5 Professions Code, to read:

6 25243. No provision of this article shall preclude ~~use of a~~  
7 ~~multicounty appellation in compliance with Section 4.25(c) of~~  
8 ~~Title 27 of the Code of Federal Regulations~~; *a wine from using,*  
9 *on any label, packaging material, or advertising, either (a) a*  
10 *truthful, nonmisleading appellation of origin that complies with*  
11 *Section 4.25(c) of Title 27 of the Code of Federal Regulations*  
12 *governing multicounty appellations, or (b) a truthful,*  
13 *nonmisleading statement as to the geographic location of the*  
14 *wine's stated appellation or appellations of origin which is*  
15 *located in not more than two counties, for which the wine*  
16 *qualifies under applicable federal law, or both the appellation of*  
17 *origin and the statement of geographic location; provided that*  
18 *the label, packaging material, or advertising contains no other*  
19 *use of a name of viticultural significance, in a brand name or*  
20 *otherwise, that is prohibited by Section 25241 or 25242.*